



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report

Robert Donley, Executive Director
Board of Regents
State of Iowa

I, Mary Mosiman, CPA, the duly elected Auditor of State, State of Iowa, being first duly sworn, do hereby depose and certify that I am a duly qualified and practicing certified public accountant and that I am not in the regular employ of the Board of Regents, State of Iowa, or of Iowa State University of Science and Technology.

We have audited the accompanying Schedule of Debt Service and Coverage (Schedule) for Iowa State University of Science and Technology as of April 27, 2015 for the Dormitory Revenue Refunding Bonds, Series I.S.U. 2006, dated April 1, 2006; Dormitory Revenue Refunding Bonds, Series 2006A, dated September 1, 2006; Dormitory Revenue Bonds, Series I.S.U. 2007, dated November 1, 2007; Dormitory Revenue Refunding Bonds, Series I.S.U. 2008, dated April 1, 2008; Dormitory Revenue Refunding Bonds, Series I.S.U. 2009, dated May 1, 2009; Dormitory Revenue Refunding Bonds, Series I.S.U. 2010, dated April 1, 2010; Dormitory Revenue Refunding Bonds, Series I.S.U. 2011, dated May 1, 2011; Dormitory Revenue Refunding Bonds, Series I.S.U. 2011A, dated June 1, 2011; Dormitory Revenue Refunding Bonds, Series I.S.U. 2013, dated January 1, 2013; Dormitory Revenue Bonds, Series I.S.U. 2013A, dated April 1, 2013; Dormitory Revenue Refunding Bonds, Series I.S.U. 2013B, dated June 1, 2013 and Dormitory Revenue Bonds, Series I.S.U. 2013C, dated December 1, 2013; (collectively, the "Parity Bonds"), and for the Dormitory Revenue Bonds, Series I.S.U. 2015, which are scheduled for settlement (the "Bonds") prepared pursuant to the Parity Bonds section of the resolutions adopted by the Board of Regents, State of Iowa authorizing the Bonds. The Schedule is the responsibility of Iowa State University of Science and Technology's management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit of the Schedule in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Schedule has been prepared in accordance with the Parity Bonds section of the resolutions adopted by the Board of Regents, State of Iowa authorizing the Bonds and Iowa State University of Science and Technology is in compliance with the requirement the aggregate net revenues of the Dormitory System collected by Iowa State University of Science and Technology during the year ended June 30, 2014 is equal to at least 135% of the maximum amount for both principal and interest that will become due in any fiscal year during the life of (a) the Parity Bonds outstanding as of April 27, 2015 and (b) the Dormitory Revenue Bonds, Series I.S.U. 2015 which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated April 23, 2015.

This report is solely for the information and use of the Board of Regents, State of Iowa, management of Iowa State University of Science and Technology and Ahlers & Cooney, P.C., and should not be used for any other purpose.

Mary Mosiman
MARY MOSIMAN, CPA
Auditor of State

April 27, 2015

**IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
DORMITORY SYSTEM**

Schedule of Debt Service and Coverage

Fiscal Year Ending June 30	The Bonds		Debt Service on		Coverage to Fiscal Year 2014 Net Revenues (c)
	Principal	Principal and Interest (a)	Outstanding Parity Bonds (b)	Total Debt Service	
2015	\$ -	-	12,573,218	12,573,218	2.12
2016	970,000	1,963,227	12,552,130	14,515,357	1.83
2017	1,155,000	1,986,938	12,538,023	14,524,961	1.83
2018	1,190,000	1,998,837	12,530,473	14,529,310	1.83
2019	1,225,000	2,010,038	12,504,710	14,514,748	1.83
2020	1,260,000	2,020,537	11,444,465	13,465,002	1.98
2021	1,300,000	2,035,338	11,503,171	13,538,509	1.97
2022	1,335,000	2,044,337	11,470,721	13,515,058	1.97
2023	1,375,000	2,044,288	11,548,709	13,592,997	1.96
2024	1,420,000	2,048,037	11,531,937	13,579,974	1.96
2025	1,460,000	2,045,438	11,008,937	13,054,375	2.04
2026	1,505,000	2,046,637	10,085,411	12,132,048	2.20
2027	1,550,000	2,046,488	9,004,987	11,051,475	2.41
2028	1,595,000	2,044,987	7,072,613	9,117,600	2.92
2029	1,645,000	2,047,138	3,542,225	5,589,363	4.76
2030	1,695,000	2,047,787	2,251,588	4,299,375	6.19
2031	1,745,000	2,044,818	2,250,747	4,295,565	6.20
2032	1,800,000	2,045,287	2,247,713	4,293,000	6.20
2033	1,860,000	2,047,688	2,250,187	4,297,875	6.20
2034	1,925,000	2,052,238	-	2,052,238	12.98
2035	1,990,000	2,054,675	-	2,054,675	12.96
Total	\$ 30,000,000	40,674,758	169,911,965	210,586,723	

(a) Includes the bond principal and interest at a TIC rate of 3.0920507% for the Series I.S.U. 2015 Dormitory Revenue Bonds.

(b) Excludes Series I.S.U. 2015 Dormitory Revenue Bonds. As of April 27, 2015, principal on the Outstanding Parity Bonds is outstanding in the aggregate amount of \$132,220,000.

(c) Fiscal Year 2014 Net Revenues:

Operating revenues	\$ 93,641,556
Operating expenses before depreciation	(76,743,682)
Operating income before depreciation	16,897,874
Add: Investment income	508,606
Add back: charges for administrative overhead	2,117,087
Add back: improvement and replacement expenses	7,107,753
Net Revenues	<u>\$ 26,631,320</u>